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MACROECONOMIC POLICY QUESTIONS

Report of the Second Committee

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I. INTRODUCTION

1. At its 3rd plenary meeting, on 20 September 1996, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-first session the item entitled:

"Macroeconomic policy questions:

"(a) External debt crisis and development;

"(b) Financing of development, including net transfer of resources between developing and developed countries;

"(c) Trade and development;

"(d) Commodities"

and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 29th to 33rd and 35th to 38th meetings, on 7, 8, 11, 12, 18 and 25 November and 2 December 1996. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/51/SR.29-33 and 35-38). Attention is also drawn to the general debate held by the Committee at its 3rd to 6th and 8th meetings, from 14 to 18 October (see A/C.2/51/SR.3-6 and 8).

3. For its consideration of the item, the Committee had before it the following documents:

Item 94. Macroeconomic policy questions

(a) Letter dated 20 March 1996 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General, transmitting the Trujillo Act and the Protocol Amending the Cartagena Agreement signed at Trujillo, Peru, on 10 March 1996 by the Heads of State of Bolivia, Colombia, Ecuador and Peru, the Personal Representative of the President of Venezuela and the President of Panama as an observer (A/51/87);

(b) Letter dated 5 July 1996 from the Permanent Representative of France to the United Nations addressed to the Secretary-General, transmitting the final documents of the summit meeting of the group of seven major industrialized countries, held at Lyon, France, from 27 to 29 June 1996 (A/51/208-S/1996/543);

(c) Note verbale dated 11 July 1996 from the Permanent Mission of Bulgaria to the United Nations addressed to the Secretary-General, transmitting the Sofia Declaration on Good-neighbourly Relations, Stability, Security and Cooperation in the Balkans, adopted at the meeting of the Ministers for Foreign Affairs of the countries of South-Eastern Europe, held at Sofia on 6 and 7 July 1996 (A/51/211-S/1996/551);

(d) Letter dated 12 September 1996 from the Permanent Representative of the Marshall Islands to the United Nations addressed to the Secretary-General, transmitting the text of the communiqué adopted by the twenty-seventh South Pacific Forum, held at Majuro from 3 to 5 September 1996 (A/51/357);

(e) Letter dated 13 September 1996 from the Permanent Representative of Bolivia to the United Nations addressed to the Secretary-General, transmitting the declaration of the Tenth Summit of Heads of State and Government of the Rio Group, held at Cochabamba, Bolivia, on 3 and 4 September 1996 (A/51/375);

(f) Letter dated 30 September 1996 from the Permanent Representative of Colombia to the United Nations addressed to the Secretary-General, transmitting the declaration of the Movement of Non-Aligned Countries adopted in New York on 24 September 1996 on the occasion of the celebration of the thirty-fifth anniversary of the founding of the Movement (A/51/462-S/1996/831);

(g) Letter dated 4 October 1996 from the Permanent Representative of Costa Rica to the United Nations addressed to the Secretary-General, transmitting the declaration adopted by the Ministers for Foreign Affairs of the Group of 77 and China at their twentieth annual meeting, held in New York on 27 September 1996 (A/51/471);

(h) Letter dated 30 September 1996 from the Permanent Representative of Colombia to the United Nations addressed to the Secretary-General, transmitting the communiqué of the Meeting of Ministers for Foreign Affairs and Heads of Delegation of the Movement of Non-Aligned Countries to the fifty-first session of the General Assembly, held on 25 September 1996 (A/51/473-S/1996/839);

(i) Letter dated 5 November 1996 from the representatives of Azerbaijan, Kazakstan, Kyrgyzstan, Turkey, Turkmenistan and Uzbekistan to the United Nations addressed to the Secretary-General transmitting the Tashkent Declaration, signed on 21 October 1996 at the end of the fourth summit meeting of the Heads of State of the Turkish-speaking countries (A/51/664-S/1996/930);

Item 94 (a). External debt crisis and development

Report of the Secretary-General on the developing country debt situation as at mid-1996 (A/51/294);

Item 94 (b). Financing of development, including net transfer of resources between developing and developed countries

(a) Report of the Secretary-General on net transfer of resources between developing and developed countries (A/51/291);

(b) Report of the Secretary-General on global financial integration: challenges and opportunities (A/51/388);

Item 94 (c). Trade and development

(a) Report of the Trade and Development Board on its thirteenth executive session (A/51/15, vol. I);[1]

(b) Report of the Trade and Development Board on its forty-third session (A/51/15, vol. II);[2]

(c) Report of the Secretary-General on strengthening international organizations in the area of multilateral trade (A/51/331);

(d) Note by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "United Nations Conference on Trade and Development: review of institutional and programme issues" (A/51/152) and the comments of the Secretary-General thereon (A/51/152/Add.1);

(e) Note by the Secretary-General transmitting the report of the secretariat of the United Nations Conference on Trade and Development on specific measures in favour of island developing countries (A/51/255);

(f) Note by the Secretary-General transmitting the progress report of the Secretary-General of the United Nations Conference on Trade and Development on measures designed to improve the transit transport environment in Central Asia (A/51/288);

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[1] To be issued in final form as Official Records of the General Assembly, Fifty-first Session, Supplement No. 15 (A/51/15), vol. I.

[2] Ibid., vol. II.

(g) Note by the Secretary-General transmitting the Midrand Declaration and a document entitled "A Partnership for Growth and Development", adopted by the United Nations Conference on Trade and Development at its ninth session, held at Midrand, South Africa, from 27 April to 11 May 1996 (A/51/308);

(h) Letter dated 18 September 1996 from the Permanent Representative of Bolivia to the United Nations addressed to the Secretary-General, transmitting the opinion of the Inter-American Juridical Committee entitled "Freedom of trade and investment in the hemisphere", which was endorsed by the Tenth Summit of Heads of State and Government of the Rio Group, held at Cochabamba, Bolivia, on 3 and 4 September 1996 (A/51/394);

(i) Letter dated 1 October 1996 from the Permanent Representative of Bangladesh to the United Nations addressed to the Secretary-General, transmitting the text of the declaration adopted by the Ministerial Meeting of the Least Developed Countries, held in New York on 30 September 1996 (A/C.2/51/4);

(j) Letter dated 7 November 1996 from the Permanent Representative of Uruguay to the United Nations addressed to the Secretary-General, transmitting the report of the Third Meeting of Government Officials Responsible for Trade Policy in Latin America and the Caribbean, held at Montevideo on 25 October 1996 (A/C.2/51/7);

(k) Letter dated 20 November 1996 from the Permanent Representative of Zimbabwe to the United Nations addressed to the Secretary-General, transmitting a joint communiqué entitled "The current international trading system and prospects for the promotion of trade among developing countries", released at the sixth meeting of the Summit Level Group of Developing Countries, held at Harare from 3 to 5 November 1996 (A/C.2/51/10).

4. At the 29th meeting, on 7 November, introductory statements on sub-items (c) and (d) were made by the President of the Trade and Development Board and the Secretary-General of the United Nations Conference on Trade and Development (see A/C.2/51/SR.29).

5. At the 30th meeting, on 7 November, the representative of the Joint Inspection Unit made an introductory statement (see A/C.2/51/SR.30).

6. At the 32nd meeting, on 11 November, an introductory statement on sub-items (a) and (b) was made by the Chief of the International Economic Relations Branch of the Department for Economic and Social Information and Policy Analysis (see A/C.2/51/SR.32).

II. CONSIDERATION OF PROPOSALS

A. Draft resolution A/C.2/51/L.24 and Rev.1

7. At the 35th meeting, on 18 November, the representative of Costa Rica, on behalf of the States Members that are members of the Group of 77, China and Colombia (on behalf of the States Members that are members of the Movement of

the Non-Aligned Countries), introduced a draft resolution entitled "Enhancing international cooperation towards a durable solution to the external debt problem of developing countries" (A/C.2/51/L.24), which read:

"The General Assembly,

"Recalling its resolutions 48/165 of 21 December 1993 and 50/92 of 20 December 1995 and the relevant provisions of the report of the Ad Hoc Committee of the Whole of the General Assembly for the Mid-term Review of the Implementation of the United Nations New Agenda for the Development of Africa in the 1990s,[3] as well as other relevant international agreements concerning international cooperation towards a durable solution to the external debt problem of developing countries,

"Reaffirming the urgent need for effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, and to help them exit from the rescheduling process,

"Noting the debt-relief measures undertaken by creditor countries within the framework of the Paris Club and the recent initiative of the World Bank and the International Monetary Fund to reduce the debt burdens of the heavily indebted poor countries,

"Stressing the urgent need to further assist developing countries, in particular the poorest and heavily indebted countries, especially in Africa, in their efforts to improve their debt situation in view of their continued very high level of total debt stock and servicing burdens,

"Noting with concern the continuing debt and debt-servicing problems of indebted developing countries as constituting an element adversely affecting their development efforts and economic growth, and stressing the importance of alleviating the onerous debt and debt-service burdens connected with all types of debt of a large number of developing countries, on the basis of an effective, equitable, development-oriented and durable approach and, where appropriate, addressing the full stock of debt of the poorest and most indebted developing countries as a matter of priority,

"Noting that those developing countries that have continued, at great cost to themselves, to meet their international debt and debt-service obligations in a timely fashion have done so despite serious external and domestic financial constraints,

"Expressing its concern that debt-relief measures taken so far have not yet fully provided effective, equitable, development-oriented and durable solutions to the outstanding debt and debt-servicing problems of a large number of developing countries, in particular the poorest and heavily indebted countries,

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[3] Official Records of the General Assembly, Fifty-first Session, Supplement No. 48 (A/51/48).

"Stressing the need for continuing global economic growth and the necessity for a continuing supportive international economic environment with regard to, inter alia, terms of trade, commodity prices, improved market access and access to international financial markets, flow of financial resources, trade practices, access to technology and technological infrastructure, exchange rates and international interest rates, and noting the continued need for resources for sustained economic growth and sustainable development of the developing countries,

"1. Takes note of the report of the Secretary-General on the developing country debt situation as of mid-1996;[4]

"2. Recognizes that effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, which should be achieved through a once-and-for-all approach, can contribute substantially to the strengthening of the global economy and to the efforts of developing countries to achieve sustained economic growth and sustainable development;

"3. Notes that, owing to uneven developments within the context of the evolving international debt strategy, further progress, including new and concrete measures and innovative approaches, is essential as regards contributing to effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, particularly the poorest and heavily indebted countries;

"4. Stresses the need for the international community to promote a conducive external economic environment through, inter alia, improved market access, stabilization of exchange rates, effective stewardship of international interest rates and increased resource flows, as well as improved access to technology for the developing countries, and the importance for developing countries of continuing their efforts to promote a favourable environment for attracting foreign investment, thereby promoting economic growth and sustainable development;

"5. Recognizes that the evolving debt strategy must be accompanied by a favourable and supportive international environment, including the full implementation of the results of the Uruguay Round of multilateral trade negotiations and the Marrakesh ministerial decisions in favour of the least developed countries and the net food-importing developing countries;[5]

"6. Notes that the recent heavily indebted poor countries initiative represents a step towards assisting countries with substantial debt problems, while stressing the urgent need to ensure an expeditious,

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[4] A/51/294.

[5] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

flexible, constructive and full implementation of the initiative that is in line with the need for comprehensive approaches;

"7. Stresses that the implementation of the heavily indebted poor countries initiative requires additional financial resources from both bilateral and multilateral creditors and therefore should not be pursued through the reallocation of resources already designated for development purposes;

"8. Urges the developed countries to give the heavily indebted poor countries initiative the support it both needs and deserves and to further refine the initiative so that the required six-year performance period is reduced to one lasting a maximum of three years and the terms of eligibility to be used in qualifying countries do not introduce new conditionalities;

"9. Stresses the importance of improving the terms of the eligibility criteria so as to expand coverage to other heavily indebted poor countries;

"10. Underlines the importance of the transparency and involvement of debtor countries in any review and analysis that will be conducted during the adjustment period;

"11. Emphasizes the urgent need for full, constructive and expeditious implementation of various debt-relief measures undertaken by creditor countries within the framework of the Paris Club, and urges bilateral creditors that have not participated in the Paris Club to undertake equivalent debt-relief measures including debt cancellations;

"12. Welcomes the decision taken by the Paris Club to go beyond the Naples terms to provide debt reduction for the poorest and most heavily indebted countries, stresses the need for the Paris Club to further consider the levels of debt reduction and urges all other bilateral creditors to make comparable contributions;

"13. Recognizes the efforts of indebted developing countries in regard to fulfilling their commitments on debt servicing despite the incurring of a high social cost and, in this regard, encourages private creditors and, in particular, commercial banks to continue their initiatives and efforts to address the commercial debt problems of middle-income developing countries;

"14. Invites creditor countries, private banks and multilateral financial institutions, within their prerogatives, to continue the initiatives and efforts to address the commercial debt problems of the least developed countries and the requests for continued mobilization of resources through the Debt-reduction Facility of the International Development Association in order to help eligible least developed countries reduce their commercial debt;

"15. Invites the International Monetary Fund to continue devising concrete measures and action to address the problems faced by indebted

developing countries, including the possibility of selling part of its gold reserve;

"16. Reaffirms the Mid-term Global Review of Progress towards the Implementation of the Programme of Action for the Least Developed Countries for the 1990s,[6] in particular the appropriate actions in favour of those countries concerning their official bilateral, commercial and multilateral debt;

"17. Notes with great concern the continuing burden of debt and debt-service obligations of middle-income countries, including in particular those in Africa, and urges creditors, including multilateral financial institutions and commercial banks, to continue to address their obligations effectively;

"18. Stresses the importance of continued concessional Enhanced Structural Adjustment Facility lending operations for low-income countries;

"19. Also stresses the need for, in addition to debt-relief measures that include debt and debt-service reduction, new financial flows to debtor developing countries, and urges creditor countries and multilateral financial institutions to continue to extend concessional financial assistance, particularly to the least developed countries, in order to support the implementation of economic reforms, stabilization and structural adjustment programmes and the eradication of poverty by the developing countries so as to enable them to extricate themselves from the debt overhang and to assist them in achieving sustained economic growth and sustainable development;

"20. Further stresses the urgent need to continue to provide social safety nets to vulnerable groups most adversely affected by the implementation of economic reform programmes in the debtor countries, in particular low-income groups;

"21. Calls upon the international community, including the United Nations system, and invites the Bretton Woods institutions, as well as the private sector, to take urgent measures and action for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits organized since the beginning of the 1990s on development related to the question of external debt;

"22. Stresses the need for the Secretary-General to monitor closely the implementation of the heavily indebted poor countries initiative on multilateral debts, so that the General Assembly at its fifty-second session is ably guided in its deliberations on the sub-item on the external debt crisis and development to be included in the provisional agenda of that session of the Assembly, under the item entitled 'Macroeconomic policy questions';

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[6] Resolution 50/103, annex.

"23. Requests the Secretary-General, in close cooperation with the Bretton Woods institutions and other relevant bodies of the United Nations system, to report to the General Assembly at its fifty-second session on the implementation of the present resolution."

8. At the 38th meeting, on 2 December, the Vice-Chairman of the Committee, Mr. Kheirreddine Ramoul (Algeria) informed the Committee of the results of the informal consultations held on the draft resolution and drew the Committee's attention to a revised draft resolution (A/C.2/51/L.24/Rev.1), submitted by the sponsors of draft resolution A/C.2/51/L.24.

9. At the same meeting, the representative of the Philippines orally revised draft resolution A/C.2/51/L.24/Rev.1 as follows:

(a) At the end of the first preambular paragraph, the words "other relevant international agreements concerning international cooperation towards a durable solution to the external debt problem of developing countries" were replaced with the words "the results, as agreed, of all major United Nations conferences and summit meetings held since the beginning of the 1990s";

(b) In the fifth preambular paragraph, the words "market oriented" were deleted before the words "economic reforms";

(c) The ninth preambular paragraph, which had read "Noting, while addressing the external debt and debt-servicing problems of developing countries, the situation in some creditor countries with economies in transition" was replaced with "Noting the situation in some creditor countries with economies in transition in addressing the external debt and debt-servicing problems of developing countries";

(d) In the tenth preambular paragraph, the words "and access to international financial markets, flow of financial resources" were deleted after the words "improved marked access", and the words "and technological infrastructure" were deleted after the words "access to technology";

(e) In operative paragraph 3, the words "Notes that further progress, including new and concrete measures and swift implementation of innovative approaches" were replaced with the words "Notes that further progress, including swift implementation of innovative approaches and concrete measures";

(f) In operative paragraph 4, after the words "sustainable development", the words "so as to favour their exit from debt and debt-servicing problems" were inserted and, after the words "resource flows", the words "access to international financial markets, flow of financial resources" were inserted;

(g) Operative paragraph 5 was deleted and the subsequent paragraphs renumbered;

(h) In operative paragraph 6 (former paragraph 7), the words "and the International Monetary Fund" were inserted after the words "World Bank" and the words "necessary to achieve sustained economic growth and sustainable development" were deleted at the end of the paragraph;

(i) In operative paragraph 7 (former paragraph 8), after the word "creditors", the remainder of the paragraph, which had read:

> "and therefore should not be pursued at the expense of development resources, inter alia, through contribution by bilateral donors to the Trust Fund for the implementation of the Initiative, and welcomes the commitment made to provide such additional resources and bearing in mind the needs of developing countries as they are being addressed through ongoing development activities",

was replaced with:

> "without affecting the support required for development activities of developing countries, welcomes the commitment made to provide additional resources for the Initiative, and invites bilateral donors to contribute to the Trust Fund for the implementation of the Initiative";

(j) In operative paragraph 9 (former paragraph 10), the words "evaluation for improving the terms of the eligibility criteria" were replaced with the words "evaluating and actively monitoring the implications of the existing terms of the eligibility criteria in the implementation of the Initiative, so as";

(k) In operative paragraph 16 (former paragraph 17), the word "great" was deleted before the word "concern" and, before the word "creditors", the word "urges" within square brackets was deleted and the square brackets removed from the word "encourages".

10. Also at its 38th meeting, the Committee adopted revised draft resolution A/C.2/51/L.24/Rev.1, as orally revised, without a vote (see para. 38, draft resolution I).

11. After the adoption of the draft resolution, statements were made by the representatives of Costa Rica (on behalf of the States Members that are members of the Group of 77 and China), Ireland (on behalf of the European Union), the United States of America, Cameroon and Andorra (see A/C.2/51/SR.38).

B. Draft resolutions A/C.2/51/L.26 and L.53

12. At its 35th meeting, on 18 November, the representative of Costa Rica, on behalf of the States Members that are members of the Group of 77 and China, introduced a draft resolution entitled "Net flows and transfer of resources between developing and developed countries" (A/C.2/51/L.26), which read:

> "The General Assembly,
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> "Reaffirming its resolutions 47/178 of 22 December 1992 and 49/93 of 19 December 1994 on net flows and transfer of resources between developing countries and developed countries,

"Taking note of the World Economic and Social Survey, 1996,[7] in particular chapter III thereof, entitled 'The international economy', and the report of the Secretary-General on the net transfer of resources between developing and developed countries,[8]

"Recognizing that the international community has a responsibility for giving strong support to the efforts of developing countries to solve their grave economic and social problems through the creation of a favourable international economic environment,

"Noting that for many developing countries, especially those in Africa and the least developed countries, official development assistance remains an indispensable external source of financial resources to support their development efforts,

"Stressing the unpredictable character of short-term private capital movements, which are particularly subject to interest-rate variations and other possible fluctuations in the domestic and international economic environment,

"Expressing its concern that the net transfer of resources from multilateral financial institutions to developing countries has been negative in real terms,

"Expressing its deep concern at the overall decline in the level of official development assistance,

"1. Stresses the need to increase efforts to ensure the flow of substantial resources to developing countries, through, inter alia, an expansion of multilateral credits, the promotion of foreign direct investment and an increase in the concessional and non-debt category of resources;

"2. Reaffirms the pressing need of developing countries for official development assistance and the urgent need for the industrialized countries to substantially increase that assistance so as to reach the internationally agreed target of 0.7 per cent of their gross national product for official development assistance as soon as possible;

"3. Urges all countries, particularly the major industrialized countries, which have significant weight in influencing the international economic environment, to apply sound macroeconomic policies, to continue to narrow global economic imbalances between the developed and developing countries, to cooperate with the developing countries so as to enhance their capacities in addressing and alleviating their major problems in the areas of money, finance, resource flows, trade, commodities and external indebtedness, and to promote an international economic system more

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[7] United Nations publication, Sales No. E.96.11.C.1.

[8] A/51/291.

conducive to a favourable international economic environment and sustained economic growth, particularly in developing countries;

"4. Stresses the importance of the role of the International Development Association as a highly concessional lending arm of the World Bank in promoting development in the developing countries and urges donors to fully honour their commitment thereto, in particular to the eleventh replenishment of the International Development Association, and to secure its adequate future funding;

"5. Appeals to all countries, particularly the developed countries, to cooperate and work together on issues relating to the financing of the Enhanced Structural Adjustment Facility during this interim period, including the sale by the International Monetary Fund of a part of its gold reserves, with a view to the achieving of a self-sustained Enhanced Structural Adjustment Facility;

"6. Urges international financial institutions and donor countries to improve the quality of their loans, inter alia, through an extension of their maturity, a lowering of their interest rates and an increase in the grant elements of such loans, and the removal of conditionalities, so as to enable the recipient countries to fully utilize the loans for their own development purposes;

"7. Calls upon international financial institutions and donor countries to remove non-economic barriers that seriously restrict their provision of loans to developing countries;

"8. Requests the Secretary-General to continue to monitor developments in the net flows and transfer of resources between developing and developed countries and, utilizing all relevant reports, such as those provided by the United Nations Conference on Trade and Development, the World Bank, the International Monetary Fund and the regional development banks, to report thereon in the World Economic and Social Survey, 1997, and also requests the Secretary-General to report, in close cooperation with the United Nations Conference on Trade and Development and the Bretton Woods institutions, to the General Assembly at its fifty-third session on the implementation of the present resolution."

13. At the 37th meeting, on 2 December, the Vice-Chairman of the Committee, Mr. Kheirreddine Ramoul (Algeria), introduced a draft resolution entitled "Net flows and transfer of resources between developing and developed countries" (A/C.2/51/L.53), which he submitted on the basis of informal consultations held on draft resolution A/C.2/51/L.26.

14. Before the adoption of the draft resolution, a statement was made by the representative of Costa Rica, on behalf of the States Members that are members of the Group of 77 and China (see A/C.2/51/SR.37).

15. At the same meeting, the Committee adopted draft resolution A/C.2/51/L.53 without a vote (see para. 38, draft resolution II).

16. After the adoption of the draft resolution, a statement was made by the representative of the United States of America (see A/C.2/51/SR.37).

17. In the light of the adoption of draft resolution A/C.2/51/L.53, draft resolution A/C.2/51/L.26 was withdrawn by its sponsors.

C. Draft resolution A/C.2/51/L.28 and L.50

18. At the 35th meeting, on 18 November, the representative of Costa Rica, on behalf of the States Members that are members of the Group of 77 and China, introduced a draft resolution entitled "Global financial integration and strengthening collaboration between the United Nations and the Bretton Woods institutions, in particular the International Monetary Fund" (A/C.2/51/L.28), which read:

"The General Assembly,

"Reaffirming its resolution 50/91 of 20 December 1995, entitled 'Global financial integration: challenges and opportunities', and Economic and Social Council resolution 1996/43 of 26 July 1996 on strengthening collaboration between the United Nations development system and the Bretton Woods institutions,

"Recalling section VII of annex I to General Assembly resolution 50/227 of 24 May 1996 on the relationship between the United Nations and the international finance and trade institutions, as well as other relevant resolutions,

"Stressing the relevance for the international community of the issue of global financial integration and that it should be a very important element of the relationship between the United Nations and the Bretton Woods institutions, in particular the International Monetary Fund,

"Welcoming previous initiative taken by the Bretton Woods institutions to invite the Secretary-General to address the joint World Bank/International Monetary Fund Development Committee at its 1995 and 1996 sessions,

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"1. Recognizes that technological advances have reduced the costs and increased the speed of international financial transactions and that, as policy liberalization has facilitated international capital flows, financial institutions have increasingly added foreign assets to their portfolios, paving the way to the phenomenon of global financial integration;

"2. Stresses that the process of global financial integration creates opportunities and challenges for the international financial system and that the Bretton Woods institutions, in particular the International

Monetary Fund, should further contribute to the creation of a favourable international economic environment;

"3. Notes with concern that sharp fluctuations in both interest rates and exchange rates have the potential effect of disrupting the international monetary and financial system, thus aggravating the volatility of short-term capital flows;

"4. Stresses that Governments and international financial institutions have a role to play in preventing the negative effects of the volatility of short-term capital flows and in promoting stability in domestic financial markets;

"5. Recalls that further efforts have to be taken at both the national and international levels to avoid future crises of confidence in the international financial markets, which have the potential of negatively affecting not only developing countries, but the international economic system;

"6. Notes that while sound domestic macroeconomic policies of each country to promote macroeconomic stability are essential elements for determining the volume and structure of private capital flows, international macroeconomic policies play an important role in reinforcing their effectiveness, and should contribute to creating a favourable international economic environment;

"7. Notes also that a number of developing countries have been able to take advantage of the globalization of finance, in spite of the negative effect of the volatility of some capital flows;

"8. Stresses the need for the expansion of private capital flows and for broader access by all developing countries to those flows;

"9. Also stresses that a number of developing countries, among them most of the least developed countries, especially those of Africa, have not benefited from the globalization of finance and continue to be in great need of official development assistance;

"10. Further stresses that international economic cooperation has become an increasingly important aspect of official measures to reduce systemic risks in the financial sector;

"11. Recognizes, in this context, that the regular lending programmes of the multilateral institutions, certain new initiatives of the International Monetary Fund aiming at enhancing the confidence of the financial markets, and the operational activities of the United Nations system contribute to assisting developing countries in their adjustment and stabilization efforts conducive to their development process;

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"12. Notes that cooperation between the United Nations and the Bretton Woods institutions has been strengthened at the level of operational activities for development, but that only initial steps have been taken in the field of further promoting the policy analysis and assessment of development issues;

"13. Recognizes that further progress in a cooperative relationship between the relevant intergovernmental bodies of the United Nations and the Bretton Woods institutions, in particular the International Monetary Fund, is urgently needed to build upon the respective strengths of each institution, taking into account the comprehensive mandate of the United Nations in the field of development;

"14. Decides, with contributions from the Economic and Social Council, and from relevant intergovernmental bodies of the International Monetary Fund and the World Bank, to engage in the discussion of such issues as:

"(a) Proposals aimed at enhancing broader cooperation and, where appropriate, coordination of macroeconomic policies among interested countries, monetary and financial authorities and institutions, as a means of promoting a stable international economic environment conducive to sustained economic growth, particularly in developing countries;

"(b) The need to encourage private capital flows to all countries, in particular to developing countries, especially long-term capital flows, while reducing the risks of volatility;

"(c) The steps taken by the International Monetary Fund to promote a strong and central role for the Fund in the surveillance of all countries in a symmetrical manner;

"(d) Measures aimed at broadening and strengthening the participation of developing countries in the international economic decision-making process;

"(e) Actions to promote more transparency and openness, including increasing the participation of developing countries in the work of the International Monetary Fund and the World Bank;

"15. Requests the Secretary-General to report to the General Assembly at its fifty-second session on those discussions and to submit to it action-oriented proposals."

19. At the 37th meeting, on 2 December, the Vice-Chairman of the Committee, Mr. Kheirreddine Ramoul (Algeria), introduced a draft resolution entitled "Global financial integration and strengthening collaboration between the United Nations and the Bretton Woods institutions" (A/C.2/51/L.50), which he submitted on the basis of informal consultations held on draft resolution A/C.2/51/L.28.

20. At the same meeting, the Committee adopted draft resolution A/C.2/51/L.50 without a vote (see para. 38, draft resolution III).

21. After the adoption of the draft resolution, a statement was made by the representative of Brazil (see A/C.2/51/SR.37).

22. In the light of the adoption of draft resolution A/C.2/51/L.50, draft resolution A/C.2/51/L.28 was withdrawn by its sponsors.

D. Draft resolution A/C.2/51/L.16 and Rev.1

23. At the 31st meeting, on 8 November, the representative of Costa Rica, on behalf of the States Members that are members of the Group of 77, China and Colombia (on behalf of the States Members that are members of the Movement of Non-Aligned Countries), introduced a draft resolution entitled "International trade and development" (A/C.2/51/L.16), which read:

"The General Assembly,

"Recalling its resolutions 50/95 and 50/98, both of 20 December 1995, as well as other relevant international agreements concerning trade, development and interrelated issues,

"Emphasizing the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system,

"Emphasizing also that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the sustained economic growth and sustainable development of the developing countries, and emphasizing further that each country is responsible for its own economic policies for development,

"Noting with satisfaction the highly successful outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, from 27 April to 11 May 1996, and the spirit of genuine partnership and solidarity that emerged therefrom,

"Expressing its deep gratitude to the Government and the people of South Africa for the hospitality extended to the participants in the United Nations Conference on Trade and Development at its ninth session,

"Welcoming with appreciation the generous offer made by the Government and the people of Thailand to host the tenth session of the United Nations Conference on Trade and Development in the year 2000,

"Expressing appreciation to the Government and the people of Singapore for hosting the inaugural Ministerial Conference of the World Trade Organization,

I

*1. Endorses the outcome of the ninth session of the United Nations Conference on Trade and Development, which was held at Midrand, South Africa, in April and May 1996, in particular the commitment on 'A Partnership for Growth and Development',[9] and expresses its political will and responsibility with respect to implementing the agreed commitments;

*2. Takes note of the report of the Trade and Development Board on its forty-third session;[10]

*3. Recognizes that 'A Partnership for Growth and Development' builds upon the various agreements and conferences that provide an overall policy framework for sustained economic growth and sustainable development to address the challenges of the 1990s, including the Cartagena Commitment;[11]

*4. Welcomes the fact that the United Nations Conference on Trade and Development, as part of the United Nations system and a contributor to its revitalization, has adopted far-reaching reforms, as embodied in the Midrand Declaration and 'A Partnership for Growth and Development',[9] adopted by consensus at the ninth session of the Conference, which encompass its programme of work, its intergovernmental machinery and its secretariat, as well as the strengthening of its cooperation with other institutions, especially its complementarity with the World Trade Organization and its cooperation with the United Nations Industrial Development Organization and relevant regional organizations, thus adapting itself to new economic and institutional modalities created by the process of globalization, the conclusion of the Uruguay Round of multilateral trade negotiations agreements[5] and the creation of the World Trade Organization;

*5. Also welcomes the importance attached by the United Nations Conference on Trade and Development at its ninth session to building a lasting partnership for development between non-governmental actors and the Conference and the initiative taken by the Secretary-General of the Conference to hold meetings with relevant actors to further elaborate concrete steps towards this end;

*6. Recognizes the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development;

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[9] See A/51/308.

[10] A/51/15 (vol. II).

[11] See Proceedings of the United Nations Conference on Trade and Development, Eighth Session, Report and Annexes (TD/364/Rev.1) (United Nations publication, Sales No. E.93.II.D.5), part one, sect. A.

"7. Also recognizes that the United Nations Conference on Trade and Development, having a comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries into the world economy, including by following developments in the international trading system, in particular their implications for developing countries, and identifying new opportunities and challenges arising from the implementation of the Uruguay Round agreements;

"8. Decides, within this context, to enable the United Nations Conference on Trade and Development to implement its programme of work with a focus on the issues of globalization and development, international trade in goods and services and commodity matters, investment, enterprise development and technology, services infrastructure for development and trade efficiency;

"9. Invites the President of the United Nations Conference on Trade and Development at its ninth session to consider convening a special high-level review meeting two years prior to the tenth session of the Conference;

II

"1. Stresses the urgent need to continue trade liberalization, including liberalization through a substantial reduction of tariff and other barriers to trade, in particular non-tariff barriers, and the elimination of discriminatory and protectionist practices in international trade relations, and to improve access to the markets of all countries, in particular those of the developed countries, so as to generate sustained economic growth and sustainable development;

"2. Recognizes that the World Trade Organization provides the framework for an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system and stresses that all members of the World Trade Organization should implement their commitments in respect of the Uruguay Round agreements in a full, timely, faithful and continuous manner and that all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations[5] should be effectively applied, so as to maximize economic growth and the developmental benefits thereof for all, taking into account specific difficulties and interests of developing countries;

"3. Urges Governments and concerned organizations to implement fully and expeditiously the Marrakesh Ministerial Decision on Measures in Favour of the Least Developed Countries, as well as to effectively apply the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Countries, as well as the recommendations adopted at the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s and at the ninth session of the United Nations Conference on Trade and Development as they relate to trade and trade-related issues of the least developed countries;

"4. Emphasizes the importance of the strengthening of, and the attaining of greater universality by, the international trading system and welcomes the process directed towards accession to the World Trade Organization of countries that are not members of the General Agreement on Tariffs and Trade, and emphasizes the necessity for providing assistance to non-World Trade Organization members so as to facilitate their efforts with respect to accession in an expeditious manner, and thereby contribute to their rapid and full integration into the multilateral trading system;

"5. Also emphasizes the importance of the inaugural Ministerial Conference of the World Trade Organization, to be held in Singapore, in regard to reviewing the implementation of the Uruguay Round agreements and its built-in agenda with a view to helping set the future direction of a rule-based multilateral trading system;

"6. Further emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element as regards the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round;

"7. Deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trading, by resorting to unilateral actions, or to use environmental and social concerns for protectionist purposes;

"8. Underscores that the pursuit of the built-in agenda contained in various Uruguay Round agreements, as well as the international community's handling of issues affecting the conduct of international trade relations, should be carried out in a balanced manner, which takes into account the concerns of developing countries;

"9. Emphasizes the need for a balanced and integrated approach to environment, trade and development issues, through the examining of trade and environmental issues from a developmental perspective which should be mutually supportive, while stressing that environmental policies and measures with a potential trade impact should not be used for protectionist purposes and that positive measures such as improved market access, capacity-building, improved access to finance and access to transfer of technology are effective instruments in regard to achieving the objective of sustainable development and in meeting the multilaterally agreed objectives of multilateral environmental agreements;

III

"1. Recognizes the important progress made in understanding the relationship between trade and environment in the Committee on Trade and Environment of the World Trade Organization, as well as in the United Nations Conference on Trade and Development, and in the Commission on Sustainable Development, including the recommendations made at its fourth session, and the need to maintain the momentum generated through these deliberations, and requests the Conference, within this context, to examine

outstanding issues with a view to recommending future work on trade and environment;

"2. Requests the United Nations Conference on Trade and Development to continue to perform its special role in the field of trade and environment, as reaffirmed at the ninth session of the Conference, in particular within the context of the forthcoming special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21[12] and its preparatory process, and stresses the need for the Conference to continue to promote cooperation among the many international organizations and bodies interfacing in the trade and environment debate, including the Commission on Sustainable Development and the United Nations Environment Programme, as well as the World Trade Organization;

"3. Also requests the United Nations Conference on Trade and Development to identify and analyse the implications for development of issues relevant to a possible multilateral framework on investment, taking into account the interests of developing countries;

"4. Reaffirms the need to implement as a matter of priority the United Nations New Agenda for the Development of Africa in the 1990s,[13] taking into account the assessment and recommendations adopted at the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s, especially those related to trade and development;

"5. Also reaffirms the need to give priority to the problems facing the least developed countries and, in particular, special attention to help enable the least developed countries to maximize their potential opportunities and minimize possible risks arising from the Uruguay Round agreements;

"6. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, as well as to recognize that the transit developing countries that provide transit services to landlocked developing countries need adequate assistance in order to maintain and improve their transit infrastructure;

"7. Strongly invites preference-giving countries to continue to improve and renew their Generalized System of Preferences schemes in

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[12] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[13] Resolution 46/151, annex, sect. II.

keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially least developed countries, into the international trading system, while avoiding linking eligibility to non-trade considerations and thereby detracting from the original principles of Generalized System of Preferences schemes;

"8. Stresses that Governments, as well as international organizations, should extend technical assistance to developing countries to enable them to participate more effectively in the international trading system, including assistance in their service sectors to help ensure that they reap the maximum possible benefits from the liberalization of trade in services;

"9. Also stresses that the forthcoming South-South conference on finance, trade and investment, to be held in San José, Costa Rica, will provide an opportunity for developing countries to advance initiatives related to 'A Partnership for Growth and Development', and invites the international community to provide support to the conference."

24. At the 37th meeting, on 2 December, the Vice-Chairman of the Committee, Mr. Kheirreddine Ramoul (Algeria), informed the Committee of the results of the informal consultations held on the draft resolution, and drew the Committee's attention to a revised draft resolution (A/C.2/51/L.16/Rev.1) submitted by the sponsors of draft resolution A/C.2/51/L.16, joined by Belarus, Japan, Mexico, Norway, the Russian Federation and the United States of America.

25. The Secretary of the Committee read out a statement on the programme budget implications of draft resolution A/C.2/51/L.16/Rev.1 (see A/C.2/51/SR.37).

26. At the same meeting, the Committee adopted revised draft resolution A/C.2/51/L.16/Rev.1 without a vote (see para. 38, draft resolution IV).

27. After the adoption of the draft resolution, statements were made by the representatives of Brazil and South Africa (see A/C.2/51/SR.37).

E. Draft resolution A/C.2/51/L.25

28. At the 35th meeting, on 18 November, the representative of Kazakstan, on behalf of Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, the Islamic Republic of Iran, Kazakstan, Kyrgyzstan, Tajikistan, Turkey and Uzbekistan, introduced a draft resolution entitled "Transit environment in the landlocked States in Central Asia and their transit developing neighbours" (A/C.2/51/L.25).

29. At the 36th meeting, on 25 November, the Vice-Chairman of the Committee, Mr. Kheirreddine Ramoul (Algeria), informed the Committee of the results of the informal consultations held on the draft resolution, and orally revised it as follows:

(a) In the third preambular paragraph, the words "development efforts of these countries" were replaced with the words "development efforts of newly independent and developing landlocked States";

(b) In the fifth preambular paragraph, the words "Proposals for the development of a global framework for transit transport cooperation between landlocked and transit developing countries and the donor community" were replaced with the words "Global framework for transit transport cooperation between landlocked and transit developing countries and the donor community", and the related footnote, which had read "UNCTAD/LLDC/SYMP/5", was replaced with "TD/B/42(1)11".

30. At the same meeting, the Committee adopted draft resolution A/C.2/51/L.25, as orally revised, without a vote (see para. 38, draft resolution V).

31. After the adoption of the draft resolution, a statement was made by the representative of the United States of America (see A/C.2/51/SR.36).

F. Draft resolutions A/C.2/51/L.14 and L.49

32. At the 30th meeting, on 7 November, the representative of Costa Rica, on behalf of the States Members that are members of the Group of 77 and China, introduced a draft resolution entitled "Commodities" (A/C.2/51/L.14), which read:

"The General Assembly,

"Recalling its resolutions 45/200 of 21 December 1990, 47/185 of 22 December 1992, 48/214 of 23 December 1993 and 49/104 of 19 December 1994, and stressing the urgent need to ensure their full implementation,

"Recognizing that in many developing countries, in particular African countries and least developed countries, the commodity sector remains the principal source of export revenues and of the creation of employment, income and savings, and the driving force of investments and the reactivation of growth and development,

"Concerned about the constant price fluctuations of commodities, and also recognizing the need for a better functioning of commodity markets and the necessity of stable and more predictable commodity prices, including searching for long-term solutions,

"Mindful of the need for developing countries, especially African countries and least developed countries, to diversify their economies, in particular the commodity sector, with a view to modernizing their production, distribution and marketing systems, enhancing productivity, and stabilizing and increasing their export earnings,

"Also concerned about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes,

"1. Welcomes the outcome of the ninth session of the United Nations Conference on Trade and Development, including the Midrand Declaration and

'A Partnership for Growth and Development',[9] related to the issues of commodities;

"2. Recognizes the fundamental responsibility of the developing countries that are heavily dependent on primary commodities for continuing to promote a domestic policy and an institutional environment that encourage diversification and enhance competitiveness;

"3. Notes the need expressed by developing countries, in particular the commodity-dependent developing countries, for remunerative, stable and more predictable commodity prices, in the face of persistent instability in the prices of some primary commodities and the general deterioration in the terms of trade;

"4. Emphasizes the urgent need to create a more favourable international environment for supportive international policies to improve the functioning of commodity markets through efficient and transparent price formation mechanisms, including commodity exchanges, and through the use of commodity price risk management instruments;

"5. Urges developed countries to continue to support the commodity diversification efforts of developing countries, especially African countries, in a spirit of common purpose and efficiency, inter alia, by providing technical and financial assistance for the preparatory phase of their commodity diversification programmes;

"6. Reiterates the importance of maximizing the contribution of the commodity sector to economic growth and sustainable development in commodity-dependent developing countries, and in this respect stresses, inter alia, that:

"(a) Trade-distorting policies and practices, including tariff and non-tariff escalation and obstacles to competition in the markets of developed countries, have a negative effect on the ability of developing countries to diversify their exports and to undertake the requisite restructuring of their commodity sector;

"(b) Expansion of South-South trade in commodities offers opportunities for intersectoral linkages within and among exporting countries;

"(c) In line with Agenda 21[12] and the Rio Declaration on Environment and Development,[14] trade and environmental policies are mutually supportive to achieving sustainable development. In that regard, environmental policies and measures with potential trade impact should not be used for protectionist purposes;

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[14] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex I.

"(d) The issues related to commodities in the context of sustainable development should be fully taken into account by all overall review and appraisal machinery of the implementation of Agenda 21 adopted by the United Nations Conference on Environment and Development;

"(e) There is a need to promote research and development, to provide infrastructure and support services, and to encourage investment, including joint ventures in developing countries engaged in the commodity and commodity-processing sectors;

"7. Emphasizes the importance for developing countries to process a significant part of their commodities, and in that regard stresses the need for new market opportunities for their processed and semi-processed commodities;

"8. Encourages the Common Fund for Commodities, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development and other relevant bodies, to explore effective ways and means of using the resources of the First Account of the Common Fund to help the commodity-dependent countries, especially the least developed countries, to diversify their commodity sector projects and to promote their commodity market development;

"9. Urges producers and consumers of individual commodities to intensify their efforts to reinforce mutual cooperation and assistance;

"10. Requests the Food and Agriculture Organization of the United Nations to continue to provide technical support to the basic food sector of developing countries, in particular net food importing countries, inter alia, in meeting their commitments under the Uruguay Round;

"11. Welcomes the technical cooperation activities that will be undertaken by the United Nations Conference on Trade and Development, in collaboration with the World Trade Organization and other concerned international organizations in the field of international commodity trade;

"12. Requests the Secretary-General of the United Nations Conference on Trade and Development to report on world commodity trends and prospects, with particular emphasis on commodity-dependent developing countries in the light of the outcome of the ninth session of the United Nations Conference on Trade and Development;

"13. Decides to include the question of commodities in the agenda of its fifty-second session."

33. At the 37th meeting, on 2 December, the Vice-Chairman of the Committee, Mr. Kheirreddine Ramoul (Algeria), introduced a draft resolution entitled "Commodities" (A/C.2/51/L.49), which he submitted on the basis of informal consultations held on draft resolution A/C.2/51/L.14.

34. At the same meeting, the representative of Côte d'Ivoire orally revised draft resolution A/C.2/51/L.49 as follows:

(a) In the second preambular paragraph, the word 'contributor' was inserted before the words 'to growth and development';

(b) In operative paragraph 4, the word 'Emphasizes' was replaced with the word 'Expresses';

(c) In operative paragraph 6 (c), the words 'aim to ensure' were replaced with the words 'have as their objective to ensure'.

35. Also at the same meeting, the Committee adopted draft resolution A/C.2/51/L.49, as orally revised, without a vote (see para. 38, draft resolution VI).

36. In the light of the adoption of draft resolution A/C.2/51/L.49, draft resolution A/C.2/51/L.14 was withdrawn by its sponsors.

G. Draft decision

37. At the 37th meeting, on 2 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it take note of documents before it under the item (see para. 39).

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

38. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Enhancing international cooperation towards a durable solution to the external debt problem of developing countries

The General Assembly,

Recalling its resolutions 48/165 of 21 December 1993 and 50/92 of 20 December 1995 and the relevant provisions of the report of the Ad Hoc Committee of the Whole of the General Assembly for the Mid-term Review of the Implementation of the United Nations New Agenda for the Development of Africa in the 1990s,[15] as well as the results, as agreed, of all major United Nations conferences and summit meetings held since the beginning of the 1990s,

Reaffirming the urgent need for effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, and to help them exit from the rescheduling process,

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[15] Official Records of the General Assembly, Fifty-first Session, Supplement No. 48 (A/51/48).

Noting the improvement in the debt situation of a number of developing countries since the second half of the 1980s and the contribution that the evolving debt strategy has made to this improvement, noting with appreciation the debt-relief measures taken by creditor countries both within the framework of the Paris Club and through their cancellation and equivalent relief of bilateral official debt and welcoming the even more favourable debt-relief measures taken by the Paris Club on the basis of the Naples terms of December 1994,

Stressing the need for a full and swift implementation of those initiatives, which will further assist developing countries, in particular the poorest and heavily indebted countries, especially in Africa, in their efforts to improve their debt situation in view of their continued very high level of total debt stock and servicing burdens,

Emphasizing the importance for debtor countries of continuing to pursue and intensify their efforts with respect to economic reforms, stabilization and structural adjustment programmes, in order to raise savings and investments, reduce inflation and improve economic efficiency, taking into account the need to address the social aspects of development, including the eradication of poverty, and their individual characteristics, as well as the vulnerability of the poorer strata of their populations,

Noting with concern the continuing debt and debt-servicing problems of indebted developing countries as constituting an element adversely affecting their development efforts and economic growth, and stressing the importance of alleviating the onerous debt and debt-service burdens connected with various types of debt of many developing countries, on the basis of an effective, equitable, development-oriented and durable approach and, where appropriate, addressing the full stock of debt of the poorest and most indebted developing countries as a matter of priority,

Noting that those developing countries that have continued, at great cost to themselves, to meet their international debt and debt-service obligations in a timely fashion have done so despite serious external and domestic financial constraints,

Expressing its concern that debt-relief measures taken so far have not yet fully provided effective, equitable, development-oriented and durable solutions to the outstanding debt and debt-servicing problems of a large number of developing countries, in particular the poorest and heavily indebted countries,

Noting the situation in some creditor countries with economies in transition in addressing the external debt and debt-servicing problems of developing countries,

Stressing the need for continuing global economic growth and the necessity for a continuing supportive international economic environment with regard to, inter alia, terms of trade, commodity prices, improved market access, trade practices, access to technology, exchange rates and international interest rates, and noting the continued need for resources for sustained economic growth and sustainable development of the developing countries,

1. Takes note of the report of the Secretary-General on the developing country debt situation as at mid-1996;[16]

2. Recognizes that effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries can contribute substantially to the strengthening of the global economy and to the efforts of developing countries to achieve sustained economic growth and sustainable development;

3. Notes that further progress, including swift implementation of innovative approaches and concrete measures, is essential for contributing to effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, particularly the poorest and heavily indebted countries;

4. Stresses the importance for developing countries of continuing their efforts to promote a favourable environment for attracting foreign investment, thereby promoting economic growth and sustainable development so as to favour their exit from debt and debt-servicing problems, and stresses the need for the international community to promote a conducive external economic environment through, inter alia, improved market access, stabilization of exchange rates, effective stewardship of international interest rates, increased resource flows, access to international financial markets, flow of financial resources, and improved access to technology for the developing countries;

5. Stresses that the evolving debt strategy must be accompanied by a favourable and supportive international economic environment, including the full implementation of the results of the Uruguay Round of multilateral trade negotiations, and the Marrakesh ministerial decisions in favour of the least developed countries and the net food-importing developing countries;

6. Welcomes the Heavily Indebted Poor Countries Debt Initiative endorsed by the Interim Committee of the International Monetary Fund and the Development Committee of the World Bank and the International Monetary Fund, designed to enable eligible heavily indebted poor countries to achieve a sustainable debt situation through coordinated action by all creditors on the basis of adjustment efforts by the debtor countries;

7. Recognizes that the implementation of the Initiative requires additional financial resources from both bilateral and multilateral creditors without affecting the support required for development activities of developing countries, welcomes the commitment made to provide additional resources for the Initiative, and invites bilateral donors to contribute to the Trust Fund for the implementation of the Initiative;

8. Stresses the urgent need for the developed countries to give the Initiative the support it both needs and deserves and to implement it flexibly to ensure that the performance already achieved is taken into account in

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[16] A/51/294.

determining the duration of adjustment required to reach, with the assistance of all creditors, an exit from debt rescheduling;

9. Stresses the importance of implementing the Initiative's eligibility criteria flexibly, in a transparent manner, and with the full involvement of the debtor country, and further stresses the importance of continuously evaluating and actively monitoring the implications of the existing terms of the eligibility criteria in the implementation of the Initiative, so as to ensure sufficient coverage of heavily indebted poor countries;

10. Underlines the importance of the transparency and involvement of debtor countries in any review and analysis that will be conducted during the adjustment period;

11. Welcomes the decision taken by the Paris Club to go beyond the Naples terms to provide debt reduction, including some debt stock forgiveness for the poorest and most heavily indebted countries, stresses the need for the swift implementation of that decision, and urges all other bilateral creditors to make comparable contributions in the context of coordinated efforts by all countries;

12. Recognizes the efforts of indebted developing countries in regard to fulfilling their commitments on debt servicing despite the incurring of a high social cost and, in this regard, encourages private creditors and, in particular, commercial banks to continue their initiatives and efforts to address the commercial debt problems of middle-income developing countries;

13. Invites creditor countries, private banks and multilateral financial institutions, within their prerogatives, to continue the initiatives and efforts to address the commercial debt problems of the least developed countries and the requests for continued mobilization of resources through the Debt-reduction Facility of the International Development Association in order to help eligible least developed countries reduce their commercial debt;

14. Invites the International Monetary Fund to continue devising concrete measures and action to address the problems faced by indebted developing countries, including the provision of bilateral contributions and, if the need arises, to consider optimizing its reserves management in order to facilitate the financing of the Enhanced Structural Adjustment Facility;

15. Reaffirms the Mid-term Global Review of Progress towards the Implementation of the Programme of Action for the Least Developed Countries for the 1990s,[17] in particular the appropriate actions in favour of those countries concerning their official bilateral, commercial and multilateral debt;

16. Notes with concern the continuing burden of debt and debt-service obligations of middle-income countries, including in particular those in Africa, and encourages creditors, including multilateral financial institutions and commercial banks, to continue to address their obligations effectively;

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[17] Resolution 50/103, annex.

17. Stresses the importance of continued concessional Enhanced Structural Adjustment Facility lending operations for low-income developing countries;

18. Also stresses the need for, in addition to debt-relief measures that include debt and debt-service reduction, new financial flows to debtor developing countries from all sources, and urges creditor countries and multilateral financial institutions to continue to extend concessional financial assistance, particularly to the least developed countries, in order to support the implementation of economic reforms, stabilization and structural adjustment programmes and the eradication of poverty by the developing countries so as to enable them to extricate themselves from the debt overhang and attract new investment and to assist them in achieving sustained economic growth and sustainable development;

19. Further stresses the urgent need to continue to provide social safety nets to vulnerable groups most adversely affected by the implementation of economic reform programmes in the debtor countries, in particular low-income groups;

20. Calls upon the international community, including the United Nations system, and invites the Bretton Woods institutions, as well as the private sector, to take appropriate measures and action for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits organized since the beginning of the 1990s on development related to the question of external debt;

21. Requests the Secretary-General, in close cooperation with the Bretton Woods institutions and other relevant bodies of the United Nations system, to closely follow the Heavily Indebted Poor Countries Debt Initiative and to report to the General Assembly at its fifty-second session on the implementation of the Initiative and of the present resolution.

DRAFT RESOLUTION II

Net flows and transfer of resources between developing and developed countries

The General Assembly,

Reaffirming its resolutions 47/178 of 22 December 1992 and 49/93 of 19 December 1994,

Taking note of the World Economic and Social Survey, 1996,[18] in particular chapter III thereof, entitled "The international economy", and the report of the Secretary-General on the net transfer of resources between developing and developed countries,[19]

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[18] United Nations publication, Sales No. E.96.II.C.1.

[19] A/51/291.

Recognizing that, while developing countries have primary responsibility for their own development, there is continuing need for the international community to give strong support to their efforts to solve their economic and social problems through, inter alia, the promotion of a favourable international economic environment,

Noting that for many developing countries, especially those in Africa and the least developed countries, official development assistance remains an important source of financial resources to support their development efforts,

Recognizing the increasing role of private investment and that the completion of the Uruguay Round of multilateral trade negotiations was a major step by the international community towards the expansion of the rule-based international trading system, advancing liberalization in international trade and creating a more secure trading environment,

Noting that capital flows, in particular private capital flows, to developing countries have been increasing strongly but that not all countries have benefited from such flows and short-term capital movements can be unpredictable,

Noting also that the future course of net transfer of resources to developing countries depends on a growth-oriented and supportive international economic environment and on sound domestic economic policies,

Stressing the unpredictable character of short-term private capital movements, which are particularly subject to interest-rate variations and other possible fluctuations in the domestic and international economic environment,

Noting that in the 1990s the net transfer of resources from the Bretton Woods institutions to developing countries has been negative in real terms, although it has been positive to countries in Africa and to certain countries in Asia, and noting also that the net financial transfer from regional banks to developing countries, taken together, has been generally positive in the 1990s, although it became slightly negative in 1994 and 1995,

Expressing its concern at the recent decline in the overall level of official development assistance,

Bearing in mind that all countries, particularly the major industrialized countries, which have significant weight in influencing world economic growth and the international economic environment, should continue their efforts to promote sustained economic growth and sustainable development, to narrow imbalances, and to cooperate with the developing countries so as to enhance their ability to address and alleviate their major problems in the areas of money, finance, resource flows, trade, commodities and external indebtedness,

1. Stresses the need to increase efforts to ensure the flow of substantial resources to developing countries, through, inter alia, an expansion of multilateral credits, the promotion of foreign direct investment and an increase in concessional and non-debt resources;

2. Also stresses that private capital flows are an important external source of financing for sustainable development and that attracting such investment requires, inter alia, sound fiscal and monetary policies, accountable governmental institutions, and transparent legal and regulatory regimes;

3. Reaffirms the pressing need of developing countries for official development assistance, especially those in Africa and the least developed countries, and urges countries to strive to fulfil, consistent with commitments in international agreements, the agreed target of 0.7 per cent of the gross national product of developed countries for official development assistance to the developing countries, and the target, where agreed, of 0.15 per cent of the gross national product of the developed countries for official development assistance to the least developed countries as soon as possible;

4. Stresses the need to mobilize public support for development cooperation, inter alia, through a strategy based on partnership between developed and developing countries which incorporates, as appropriate, mutually agreed goals for development;

5. Also stresses the importance of the role of the International Development Association as a highly concessional lending arm of the World Bank for promoting development in eligible development countries, and urges donors fully to honour their commitment thereto, in particular to the eleventh replenishment of the Association, and to secure its adequate future funding;

6. Appeals to all countries to continue to cooperate and work together on issues relating to the Enhanced Structural Adjustment Facility, with a view to arriving at a self-sustained facility, including the provision of bilateral contributions; if the need arises, the International Monetary Fund should consider optimizing its reserves management in order to facilitate financing of the Facility;

7. Urges all international financial institutions and donor countries, as appropriate, to continue their own efforts to improve the quality and effectiveness of their lending, inter alia, through thorough assessment of the contributions to sustainable development of projects financed, effective monitoring and evaluation, and increased concessionality, where appropriate;

8. Requests the Secretary-General to continue to monitor developments in the net flows and transfer of resources between developing and developed countries and to utilize all relevant reports, such as those provided by the United Nations Conference on Trade and Development, the World Bank, the International Monetary Fund, and the regional development banks, and to report thereon in the World Economic and Social Survey, 1997, and also requests the Secretary-General to report, in close cooperation with the United Nations Conference on Trade and Development and the Bretton Woods institutions, to the General Assembly at its fifty-third session on the implementation of the present resolution.

DRAFT RESOLUTION III

Global financial integration and strengthening collaboration between the United Nations and the Bretton Woods institutions

The General Assembly,

Reaffirming its resolution 50/91 of 20 December 1995, entitled "Global financial integration: challenges and opportunities", and Economic and Social Council resolution 1996/43 of 26 July 1996 on strengthening collaboration between the United Nations development system and the Bretton Woods institutions,

Expressing concern that a number of developing countries have become more vulnerable, in the course of liberalizing their external economic and financial regimes, to the volatile fluctuations of private capital flows in international financial markets, and stressing the importance at the national level in the countries concerned of a favourable climate for private financial flows, sound macroeconomic policies and appropriate functioning of markets,

Welcoming the initiative the Bretton Woods institutions have taken to address the question of the volatility of capital flows,

Recalling its resolution 50/227 of 24 May 1996, annex I, section VIII, on the relationship between the United Nations and the international finance and trade institutions, as well as other relevant resolutions,

1. Recognizes that technological advances have reduced the costs and increased the speed of international financial transactions and that, as policy liberalization has facilitated international capital flows, financial institutions have increasingly added foreign assets to their portfolios, paving the way towards the phenomenon of global financial integration;

2. Stresses that global financial integration presents new challenges and opportunities for the international community and that it should constitute a very important element of the dialogue between the United Nations system and the Bretton Woods institutions;

3. Notes that the globalization of financial markets can generate new risks of instability, including interest rate and exchange rate fluctuations and volatile short-term capital flows, which require all countries to pursue sound economic policies and to recognize the external economic impact of their domestic policies;

4. Stresses that sound domestic macroeconomic policies of each country in regard to promoting macroeconomic stability and growth are primary elements for determining private capital flows, and that the coordination of macroeconomic policies, where appropriate, and a favourable international economic environment play an important role in reinforcing their effectiveness;

5. Also stresses that implementation of sound domestic monetary, fiscal and structural policies over the medium term, including ensuring sound banking systems, is required to promote financial and exchange rate stability;

6. Further stresses that Governments and international financial institutions have a contribution to make to reducing the risks of volatility of short-term capital flows and to promoting stability in domestic financial markets, within their respective competences;

7. Recognizes the progress made in improving risk management and transparency in international financial markets, such as the International Monetary Fund's improved surveillance capacities, standards for the provision of economic and financial information to markets and the creation of an emergency financing mechanism;

8. Also recognizes the progress made in establishing the new arrangements to borrow, which would effectively double the resources currently available to the International Monetary Fund under the General Arrangements to Borrow and improve the Fund's ability to assist members in circumstances that could have systemic implications;

9. Recalls that, in the context of global financial integration, further efforts have to be made, at both the national and international levels, to strengthen international economic cooperation;

10. Recognizes that a number of developing countries have been able to take advantage of the globalization of finance, and notes the need for the expansion of private capital flows and for broader access by all developing countries to those flows, and therefore the need for the international community to assist low-income countries, especially those in Africa, in their efforts to create the enabling environment necessary to attract such flows;

11. Notes that a number of developing countries, among them most of the least developed countries, especially those of Africa, have not benefited from the globalization of finance and continue to be in great need of official development assistance;

12. Recognizes, in this context, that the regular lending programmes of the multilateral institutions, recent initiatives aiming at enhancing the confidence of the financial markets, and the operational activities of the United Nations system, inter alia, in promoting capacity-building for sound financial management, contribute to assisting recipient countries, particularly developing countries, in such adjustment and stabilization efforts as are conducive to their development process;

13. Welcomes Economic and Social Council resolution 1996/43 on strengthening collaboration between the United Nations development system and the Bretton Woods institutions, and calls for its full implementation;

14. Notes that cooperation between the United Nations and the Bretton Woods institutions continues to be strengthened at the level of operational activities for development;

15. Considers that the strengthening of collaboration between the United Nations and the Bretton Woods institutions requires an integrated approach, encompassing a closer policy dialogue at the intergovernmental level on relevant areas of international development policy issues, taking into account their respective competences;

16. Stresses the need for encouragement of private flows to all countries, in particular to developing countries, while reducing the risks of volatility;

17. Emphasizes the need to explore ways to broaden appropriate enhanced cooperation and, where appropriate, coordination of macroeconomic policy among interested countries, monetary and financial authorities and institutions, so as to enhance preventive consultation arrangements between such institutions as a means of promoting a stable international financial environment conducive to economic growth, particularly of developing countries, taking into account the needs of developing countries as well as situations that may have a significant impact upon the international financial system;

18. Reiterates the need for broadening and strengthening the participation of developing countries in the international economic decision-making process;

19. Welcomes the steps taken by the International Monetary Fund and recognizes the need for a stronger and central role for the Fund in surveillance of all countries, in a symmetrical manner;

20. Reaffirms the objective of promoting greater transparency and openness, including increasing participation of developing countries in the work of the International Monetary Fund, this objective also involving, among other elements, the regular and timely provision of economic and financial data by all Fund members;

21. Welcomes the decision of the Economic and Social Council that the theme of its high-level segment in 1997 will be: 'Fostering an enabling environment for development - financial flows, including capital flows; investment; trade';

22. Requests the Secretary-General to report to the General Assembly, at its fifty-second session, in cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, on the implementation of the present resolution.

DRAFT RESOLUTION IV

International trade and development

The General Assembly,

Recalling its resolutions 50/95 and 50/98, both of 20 December 1995, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

Emphasizing the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system,

Emphasizing also that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of the developing countries, and emphasizing further that each country is responsible for its own economic policies for sustainable development,

Noting with satisfaction the highly successful outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, from 27 April to 11 May 1996, and the strengthened spirit of genuine partnership and solidarity that emerged therefrom,

Expressing its deep gratitude to the Government and the people of South Africa for the hospitality extended to the participants in the ninth session of the United Nations Conference on Trade and Development,

Welcoming with appreciation the generous offer made by the Government and the people of Thailand to host the tenth session of the United Nations Conference on Trade and Development in the year 2000,

Expressing appreciation to the Government and the people of Singapore for hosting the inaugural Ministerial Conference of the World Trade Organization,

I

1. Endorses the outcome of the ninth session of the United Nations Conference on Trade and Development, which was held at Midrand, South Africa, in April and May 1996, in particular the document entitled "A Partnership for Growth and Development",[20] which builds upon various related agreements and conferences, and expresses its political will and responsibility with respect to implementing the agreed commitments;

2. Takes note of the report of the Trade and Development Board on its forty-third session;[21]

3. Welcomes the fact that the United Nations Conference on Trade and Development, as part of the United Nations system and a contributor to its revitalization, has adopted far-reaching reforms, as embodied in the Midrand Declaration and the document entitled "A Partnership for Growth and Development",[20] adopted by consensus at the ninth session of the Conference, which encompass its programme of work, its intergovernmental machinery and the reform of its secretariat, including its complementarity with the World Trade Organization, inter alia, by making its analysis of trade and development

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[20] See A/51/308.

[21] A/51/15 (vol. II); to be issued in final form as Official Records of the General Assembly, Fifty-first Session, Supplement No. 15 (A/51/15), vol. II.

available to the World Trade Organization, and its cooperation with the United Nations Industrial Development Organization and relevant organizations, thus adapting itself to new economic and institutional modalities created by the process of globalization, the conclusion of the Uruguay Round of multilateral trade negotiations agreements[22] and the creation of the World Trade Organization;

4. Also welcomes the importance attached by the United Nations Conference on Trade and Development at its ninth session to building a lasting partnership for development between non-governmental actors and the Conference and the initiative taken by the Secretary-General of the Conference to hold meetings with relevant actors;

5. Recognizes the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development;

6. Also recognizes that the United Nations Conference on Trade and Development, having a comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries and countries with economies in transition into the international trading system, in a complementary manner with the World Trade Organization, and to promote development through trade and investment in cooperation and coordination with the International Trade Centre, relevant institutions of the United Nations system and other international organizations;

7. Invites, in this context, the United Nations Conference on Trade and Development to continue, inter alia, to follow developments in the international trading system, in particular their implications for developing countries, and to identify new opportunities arising from the implementation of the Uruguay Round agreements;

8. Decides, in this context, that the United Nations Conference on Trade and Development should implement its programme of work with a focus on the issues of globalization and development, international trade in goods and services and commodity matters, investment, enterprise development and technology, services infrastructure for development and trade efficiency;

9. Invites the President of the United Nations Conference on Trade and Development at its ninth session to consider convening a special high-level review meeting two years prior to the tenth session of the Conference;

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[22] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

II

10. Stresses the urgent need to continue trade liberalization in developed and developing countries, including liberalization through a substantial reduction of tariff and other barriers to trade, in particular non-tariff barriers, and the elimination of discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries, enhancing the competitiveness of their domestic industries, and facilitating structural adjustment among developed economies;

11. Also stresses the need for the full integration of economies in transition, as well as other countries, into the world economy, in particular through improved market access for their exports in accordance with the multilateral trading agreements, and recognizes in this respect the importance of open regional economic integration of interested economies in transition among themselves as well as with developed and/or developing countries in creating new possibilities for expanding trade and investment;

12. Recognizes that the World Trade Organization provides the framework for an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system and stresses that all members of the World Trade Organization should implement their commitments in respect of the Uruguay Round agreements in a full, timely, faithful and continuous manner and that all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations[23] should be effectively applied, so as to maximize economic growth and the developmental benefits thereof for all, taking into account specific difficulties and interests of developing countries;

13. Urges Governments and concerned organizations to implement fully and expeditiously the Ministerial Decision on Measures in Favour of the Least Developed Countries,[23] as well as to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries,[23] as well as the recommendations adopted at the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s and at the ninth session of the United Nations Conference on Trade and Development as they relate to trade and trade-related issues of the least developed countries;

14. Emphasizes the importance of the strengthening of, and the attaining of greater universality by, the international trading system, welcomes the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for World Trade Organization member Governments and relevant international organizations to assist non-World Trade Organization members so as to facilitate their efforts with respect to accession in an expeditious manner on the basis of World Trade Organization rights and obligations and for the United Nations Conference on Trade and Development to provide technical

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[23] Ibid.

assistance, thereby contributing to their rapid and full integration into the multilateral trading system;

15. Also emphasizes the importance of the inaugural Ministerial Conference of the World Trade Organization, to be held in Singapore in December 1996, in regard to reviewing the implementation of the Uruguay Round agreements and their built-in agenda, stressing that the pursuit of that agenda, as well as the international community's handling of new issues affecting the conduct of international trade relations, should be carried out in a balanced manner which takes into account the concerns of all countries, including developing countries;

16. Further emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round;

17. Deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trading by resorting to unilateral actions over and above those agreed in the Uruguay Round, and affirms that environmental and social concerns should not be used for protectionist purposes;

18. Emphasizes the need for a balanced and integrated approach to environment, trade and development issues;

19. Reaffirms that Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development and that, in doing so, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes, and reaffirms that positive measures such as market access, capacity-building, improved access to finance and access to transfer of technology, taking into account the relationship between trade-related agreements and technology, are effective instruments in assisting developing countries to meet multilaterally agreed targets, while noting that trade measures can, in certain cases, play a role in achieving the objectives of multilateral trade agreements, while safeguarding a non-discriminatory and equitable multilateral trading system;

III

20. Recognizes the important progress made in understanding the relationship between trade and environment in the Committee on Trade and Environment of the World Trade Organization, as well as in the United Nations Conference on Trade and Development, and in the Commission on Sustainable Development, including the recommendations made at its fourth session, and requests the Conference to continue its work on trade, environment and development, in cooperation with relevant international organizations including the Commission on Sustainable Development, the United Nations Environment Programme, the Organisation for Economic Cooperation and Development, regional organizations and the World Trade Organization;

21. Requests the United Nations Conference on Trade and Development to continue its special role in promoting the integration of trade, environment and development, in accordance with paragraph 27 of General Assembly resolution 50/95, by examining trade and environment issues from a development perspective, in close cooperation with the United Nations Environment Programme and the World Trade Organization and as task manager for the Commission on Sustainable Development;

22. Stresses the role of the United Nations Conference on Trade and Development in the context of the forthcoming special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21;

23. Requests the United Nations Conference on Trade and Development, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

24. Reaffirms the need to give priority to the problems facing the least developed countries, and reaffirms in particular that actions, as appropriate, should be taken to assist the least developed countries to maximize the potential opportunities and minimize possible difficulties arising from the Uruguay Round agreements;

25. Requests Governments, organs, organizations and bodies of the United Nations system and intergovernmental and non-governmental organizations to take concrete measures to implement fully and as a matter of urgency the United Nations New Agenda for the Development of Africa in the 1990s, including the measures and recommendations agreed upon at its mid-term review, especially those related to trade and development;

26. Invites the United Nations Conference on Trade and Development, the World Bank and the United Nations Development Programme to improve collaboration between the Conference's country-level programmes for least developed countries and the overall macroeconomic and sectoral policy dialogue in respect of those countries at the World Bank Consultative Group and United Nations Development Programme Round Tables, bearing in mind General Assembly resolution 50/120 of 20 December 1995;

27. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, as well as to recognize that developing countries which provide transit services need adequate support in maintaining and improving their transit infrastructure;

28. Invites preference-giving countries to continue to improve and renew their Generalized System of Preferences schemes in keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially least developed countries, into the international trading system, and

stresses that ways and means should be found to ensure more effective utilization of Generalized System of Preferences schemes, particularly by least developed countries;

29. Notes the concern among the beneficiaries that the enlargement of the scope of the Generalized System of Preferences by linking eligibility to non-trade considerations may detract value from its original principles, namely, non-discrimination, universality, burden sharing and non-reciprocity;

30. Stresses that Governments, as well as international organizations, should extend technical assistance to developing countries to enable them to participate more effectively in the international trading system;

31. Encourages the United Nations Conference on Trade and Development to further promote South-South cooperation, including triangular cooperation, recalling the results of the Intergovernmental Meeting of Experts on South-South cooperation, which was held in New York from 31 July to 4 August 1995, and the outcome of the ninth session of the Conference;

32. Notes that the forthcoming South-South conference on finance, trade and investment, to be held at San José, Costa Rica, will provide an opportunity for developing countries to advance initiatives related to the document entitled "A Partnership for Growth and Development", and invites the international community to support the initiative;

33. Requests the Secretary-General of the United Nations Conference on Trade and Development, through the Secretary-General of the United Nations, to submit a proposal on savings resulting from improved overall cost-effectiveness achieved pursuant to the ninth session of the Conference, including the restructuring of the intergovernmental machinery and reform of the Secretariat, and to submit a proposal on how to reallocate a part of the savings in the 1998-1999 budget cycle with a view to strengthening the Conference's capabilities in priority areas, including, inter alia, in technical cooperation.

DRAFT RESOLUTION V

Transit environment in the landlocked States in Central Asia and their transit developing neighbours

The General Assembly,

Recalling its resolutions 48/169 and 48/170 of 21 December 1993 and its resolution 49/102 of 19 December 1994,

Recalling also the agreed conclusions and recommendations of the First[24] and the Second[25] Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, held in New York from 17 to 19 May 1993 and from 19 to 22 June 1995, respectively, and in particular the conclusions and recommendations of those meetings pertaining to the newly independent and developing landlocked States in Central Asia and their transit developing neighbours,

Recognizing that the overall socio-economic development efforts of newly independent and developing landlocked States, seeking to enter world markets through the establishment of a multicountry transit system, are impeded by a lack of territorial access to the sea as well as by remoteness and isolation from world markets,

Supporting the current efforts being undertaken by the newly independent and developing landlocked States in Central Asia and their transit developing neighbours through relevant multilateral, bilateral and regional arrangements to address the issues regarding the development of a viable transit infrastructure in the region,

Considering that the outcome of the Symposium for Landlocked and Transit Developing Countries, held at United Nations Headquarters from 14 to 16 June 1995, in particular the document entitled 'Global framework for transit transport cooperation between landlocked and transit developing countries and the donor community',[26] is a practical contribution to the development objectives and efforts of the United Nations,

Taking note of the progress report of the Secretary-General of the United Nations Conference on Trade and Development on measures designed to improve the transit transport environment in Central Asia,[27] and considering that the problems of transit transport facing the Central Asian region need to be seen against the backdrop of economic changes and the accompanying challenges, including especially the impact of those changes on the international and intraregional trade of the countries concerned,

Recognizing that, to be effective, a transit transport strategy for the newly independent and developing landlocked States in Central Asia and their transit developing neighbours should incorporate actions that address both the problems inhering in the use of existing transit routes and the early development and smooth functioning of new, alternative routes,

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[24] TD/B/40(1)/2-TD/B/LDC/AC.1/4.

[25] TD/B/42(1)/11-TD/B/LDC/AC.1/7.

[26] TD/B/42(1)/11.

[27] A/51/288, annex.

Emphasizing the importance of strengthening international support measures to address further the problems of the newly independent and developing landlocked States in Central Asia and their transit developing neighbours,

1. Takes note of the results of the Technical Meeting on Central Asia's Transit Transport Links with World Markets,[28] held at Ankara from 7 to 9 November 1995, under the auspices of the United Nations Development Programme and the United Nations Conference on Trade and Development;

2. Invites the Secretary-General of the United Nations Conference on Trade and Development and the Governments concerned, in cooperation with the United Nations Development Programme, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe and relevant regional and international organizations and in accordance with approved programme priorities and within existing financial resources, to continue elaborating a programme for improving the efficiency of the current transit environment in the newly independent and developing landlocked States in Central Asia and their transit developing neighbours;

3. Invites donor countries and multilateral financial and development institutions, within their mandates, to provide newly independent and developing landlocked States in Central Asia and their transit developing neighbours with appropriate financial and technical assistance for the improvement of the transit environment for those countries;

4. Calls upon the United Nations system to continue studying, within the scope of the implementation of the present resolution, possible ways of promoting more effective cooperative arrangements between landlocked States in Central Asia and their transit neighbours and to encourage a more active supportive role on the part of the donor community;

5. Requests the Secretary-General of the United Nations Conference on Trade and Development to prepare a report on the implementation of the present resolution, to be submitted to the General Assembly at its fifty-third session.

DRAFT RESOLUTION VI

Commodities

The General Assembly,

Recalling its resolutions 45/200 of 21 December 1990, 47/185 of 22 December 1992, 48/214 of 23 December 1993 and 49/104 of 19 December 1994, and stressing the urgent need to ensure their full implementation,

Recognizing that in many developing countries, in particular African countries and least developed countries, the commodity sector remains the principal source of export revenues, and of the creation of employment, income

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[28] See UNCTAD/LLDC/MISC.4, 1996.

and savings, and a driving force of investments and contributor to growth and development,

Also recognizing the need for a better functioning of commodity markets and the necessity of stable and more predictable commodity prices, including searching for long-term solutions,

Mindful of the need for developing countries, especially African countries and least developed countries, to diversify their economies, in particular the commodity sector, with a view to modernizing their production, distribution and marketing systems, enhancing productivity, and stabilizing and increasing their export earnings,

Concerned about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes,

1. Welcomes the outcome of the ninth session of the United Nations Conference on Trade and Development, including the Midrand Declaration and the document entitled 'A Partnership for Growth and Development',[29] related to the issues of commodities;

2. Emphasizes the need for developing countries that are heavily dependent on primary commodities of continuing to promote a domestic policy and an institutional environment that encourage diversification and enhance competitiveness;

3. Notes the need expressed by developing countries, in particular the commodity-dependent developing countries, for stable and more predictable commodity prices, in the face of instability and decline in real terms of the prices of many commodities;

4. Expresses the urgent need for supportive international policies to improve the functioning of commodity markets through efficient and transparent price formation mechanisms, including commodity exchanges, and through the use of commodity price risk management instruments;

5. Urges developed countries to continue to support the commodity diversification efforts of developing countries, especially African countries, in a spirit of common purpose and efficiency, inter alia, by providing technical and financial assistance for the preparatory phase of their commodity diversification programmes;

6. Reiterates the importance of maximizing the contribution of the commodity sector to economic growth and sustainable development in commodity-dependent developing countries and, in this respect, stresses, inter alia, that:

(a) Trade-distorting policies and practices, including tariff and non-tariff barriers, tariff escalation and obstacles to competition, have a

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[29] See A/51/308.

negative effect on the ability of developing countries to diversify their exports and to undertake the requisite restructuring of their commodity sector;

(b) Expansion of South-South trade in commodities offers opportunities for intersectoral linkages within and among exporting countries;

(c) In line with Agenda 21[30] and the Rio Declaration on Environment and Development,[31] Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

(d) The issues related to commodities in the context of sustainable development should be fully taken into account by all overall review and appraisal machinery of the implementation of Agenda 21 adopted by the United Nations Conference on Environment and Development;

(e) There is a need to promote research and development, to provide infrastructure and support services, and to encourage investment, including joint ventures in developing countries engaged in the commodity and commodity-processing sectors;

7. Emphasizes the importance for developing countries to process a significant part of their commodities, and in that regard stresses the importance of new market opportunities for their processed and semi-processed commodities;

8. Encourages the Common Fund for Commodities, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development and other relevant bodies, to direct its commodity development programmes more towards commodity sector diversification projects, as well as to promote commodity market development in the developing countries, with particular focus on the needs of least developed countries, and to explore effective ways and means of using the resources of the First Account of the Common Fund;

9. Urges producers and consumers of individual commodities to intensify their efforts to reinforce mutual cooperation and assistance;

10. Requests the Food and Agriculture Organization of the United Nations and other relevant international organizations to continue to provide technical support to the basic food sector of developing countries, in particular net food importing countries, inter alia, in meeting their commitments under the Uruguay Round agreements;

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[30] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[31] Ibid., annex I.

11. Welcomes the technical cooperation activities that will be undertaken by the United Nations Conference on Trade and Development, in collaboration with the World Trade Organization and other concerned international organizations in the field of international commodity trade;

12. Requests the United Nations Conference on Trade and Development, within the framework of its programme of cooperation with the World Trade Organization, to provide analytical information related to the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries,[32] and encourages it to continue to assist, in accordance with the outcome of its ninth session, in vertical and horizontal diversification in commodity-dependent countries, and to promote the use of risk management in favour of producers and exporters;

13. Requests the Secretary-General of the United Nations Conference on Trade and Development to report to the General Assembly at its fifty-third session on world commodity trends and prospects, with particular emphasis on commodity-dependent developing countries in accordance with the outcome of the ninth session of the United Nations Conference on Trade and Development;

14. Decides to include the question of commodities in the provisional agenda of its fifty-third session.

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39. The Second Committee also recommends to the General Assembly the adoption of the following draft decision:

Documents relating to macroeconomic policy questions

The General Assembly decides to take note of the following documents:

(a) Report of the Secretary-General on global financial integration: challenges and opportunities;[33]

(b) Report of the Secretary-General on strengthening international organization in the area of multilateral trade;[34]

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[32] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

[33] A/51/388.

[34] A/51/331.

(c) Note by the Secretary-General transmitting the report of the secretariat of the United Nations Conference on Trade and Development on specific measures in favour of island developing countries;[35]

(d) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled 'United Nations Conference on Trade and Development: review of institutional and programme issues'[36] and the comments of the Secretary-General thereon.[37]

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[35] A/51/255.

[36] A/51/152.

[37] A/51/152/Add.1.